

IATA Will Change Air Cargo

"A lot of my time is mining the intelligence and energy that already exists in air cargo."

Aleksander Popovich, the first Global Head of Cargo for The International Air Transport Association (IATA) recalls the initial thing he did after joining the governing body that creates regulation for international air transport.

"After I was given an office here, I sat down and looked at the desk and telephone, and decided to go take a coffee."

That was April 2005 in Geneva after Mr. Popovich departed British Airways moving to IATA where he accepted the challenge of addressing a broad agenda including immediately formulating a plan of action.

From the sound and look of things, even before that coffee kicked in, Aleks was on his way.

His first move was to gather support for air cargo to adopt the IATA passenger-driven paperless initiative and general overall mission statement to simplify process.

The mandate to drive paper dependency out of the air cargo supply chain along with other well-publicized targets such as 100% passenger e-ticket by the end of 2007 was given by IATA's Board of Governors, which consists of top airline CEOs.

Although cargo has until the end of 2010 to achieve its objective, the board is expecting to see early advocates make significant progress in freeing their processes from paper in air cargo by the end of 2007 as well.

Now, just about a year after he came upon the scene, and a little more than a year and a half until he better deliver, air cargo is thinking e-freight.

How well Mr. Popovich is faring and how many times a day this young executive must think about e-freight, can be measured by some comments made early in a speech delivered by Giovanni Bisignani IATA Secretary General at the AGM in Paris just about a week ago on June 5.



"We are sinking in a sea of paperwork.
"E-freight is a big challenge.
"Unlike E-ticketing, it is not entirely within our control.
"Thirty-five percent of the value of goods traded internationally fly on our aircraft.



“Government inaction—not IT—is holding back enormous progress in trade efficiency.

“Not a single government has all the legislation in place to support e-freight.

“In today’s internet world, this is an embarrassment.

“Governments must not block a responsible industry-driving efficiency.”

That IATA is placing air cargo into the first five minutes of the top presentation at its AGM indicates both that somebody is finally paying attention and talk may turn onto real action.

Aleks Popovich:

“The air cargo industry could fill 39 Boeing 747 freighters each year with paper wasted on documentation.

“In 33 years the average time for an air cargo shipment has only been reduced from 6.5 days to 6 days.

“Paperless cargo processing could save the industry \$1.2 billion each year and reduce shipping time by at least 25% “I spend a lot of time on the road meeting with airlines and forwarders, attending events and giving speeches.

“My job is to recognize roadblocks to success, and steer around them.

“But I am always struck by the comment:

“You are the first person we have ever seen from IATA.

“That brings everything in perspective.

“We have a big job to do.

“Customer time-definite delivery and information transparency can be improved if air cargo supply chain participants including shippers, forwarders, customs, and carriers, join together to simplify industry processes and eliminate the long standing dependency on paper across the cargo supply chain.

"Imagine converting and processing electronic documents for \$30 and save 80% in costs?

“At 35 million consignments, that's more than a billion-dollar savings annually in processing.

“A piece of freight waiting for a piece of paper to be processed is what we are after.

"The IATA Cargo Committee (comprised of executives from more than a dozen cargo carriers) is focused on implementing pilot studies with customs, carriers and forwarders.

“The air cargo industry needs to have open and frank discussions on all the various topics confronting us.

“But we also should conclude our interaction with action.

“The IATA board has set December 2007 as the deadline for "early adopters" to implement the IATA E-freight system.

"The power of that date gives us real edge, focus urgency.”

If IATA e-freight has been the most vocal and visible public activity of its new cargo chief, other moves worth noting include a top to bottom revamp of the entire IATA air cargo team worldwide.

IATA Cargo has about 80 managers in the field.

Since he came on board Mr. Popovich said staffing changes have included about two thirds of that number.

Most are involved in the CASS Link settlement system.

Now these managers in addition to their former duties will be charged with working closely with their regional directors and service partners to expand participation in their home countries while bringing to the fore other activities including aforementioned e-

freight, safety and security, advances from Cargo 2000, and even moves toward adopting RFID technology.

In U.S. Cargo Network Services (CNS) will get a new President to be named after Tony Calabrese retires later this month, but the title may read more like Regional Director USA.

We assume CNS also gets a new chairman now that DHL's Guenther Rohrmann announced at last month's annual conference that he is stepping down.

CNS will hold its Annual Partnership Conference in San Diego next year as planned.

"We need to build on the networking and golf and meetings amongst business executives at CNS."

No doubt things both at CNS and elsewhere in the wide world of IATA Cargo are changing.

But first things, first.

After initially reaching out amongst people in the air cargo industry while forming the IATA Air Cargo Committee, now Mr. Popovich is building a global cargo team including various individuals who will specialize in areas most critical.

An example is addition of John Edwards from BA, who joins IATA as global Head of Cargo Security July 1st.

New regional directors and specialists are being added with special talents to accelerate various specific goals and projects on the agenda as one point is made over and again by Aleks Popovich:

Air cargo is not riding in coach at IATA anymore.

Aleksander Popovich, graduated from Oxford University with a First Class Honors Degree in Mathematics.

He joined British Airways in late 1982 in Information Technology and Operational Research (OR) developing systems.

Aleks served as Head of IT for the British Airways World Cargo, and also as Head of Network Management where he was responsible for growing, protecting and exploiting the cargo route network.

Before joining IATA, Aleks spent nearly three years developing British Airways' capability in delivering corporate business change and corporate business intelligence.

He is married, with 3 children (including a one-year old), and lives in Geneva.

Aleks Popovich has plenty on his plate as he approaches the end of his beginnings at IATA.

But in conversation his enthusiasm coupled with dazzling intelligence show little sign of concern that in time his ability to move air cargo to e-freight will by and large determine

his success or failure.

IATA Cargo will also continue its drive to both broaden membership participation in every country as key to realizing lower costs all around, while at the same time looking to expand CASS and other services to even more countries including notably, India.

“I believe air cargo needs an openness as it identifies its needs, to take on things that work elsewhere,” Aleks Popovich said.

(Geoffrey Arend)